

Amendment to Section 604 of the

"Foreign Relations Authorization Act of 1972"

Page 41 line 4 - Page 42 line 7

POWERS OF THE COMMISSION

SEC. 604. (a)...

(b) The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purposes of this title. Each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish [consistent with law] such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

State Dept. review completed

6 June 72

Approved For Release 2004/05/12 : CIA-RDP74B00415R000600120007-2

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"Foreign Relations Authorization A

Page 41 line 4 - Page 42 line

Pkg. for Al Westphal

6 June 1972

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S. 3526 (H. R. 14734)

Foreign Relations Authorization of 1972

Section 601 - Study Commission Relating to Foreign Policy.

Comment: This 12-member commission with equal representation appointed by the President, President of the Senate, and Speaker of the House, has a Hoover Commission type charter and its study would include the process of collection of information relating to the Nation's foreign policy and the methods of operation and powers of all agencies participating in its formulation and implementation. It presumably would go out of business not later than 30 June 1974 with the submission of its comprehensive report to the President and the Congress.

The requirement to report to the commission in response to their request for information could conflict with the Director's responsibility to protect intelligence sources and methods.

Recommendation: It is recommended that the provision be modified to permit the protection of intelligence sources and methods in the event of a conflict between the commission's need for information and the Director's responsibility for protection. (See attachment.)

S. 3526 (H. R. 14734)

Foreign Relations Authorization of 1972

Section 106 - Military Personnel and Civilian Employees' Claims Act of 1964.

Comment: This amendment to 31 USC 241 raises from \$6500 to \$10,000 the amount of settlement that certain agency heads may approve for a loss of personal property incident to an employee's service. In 1971 the Department of State submitted a draft bill which would have increased the claim settlement ceiling to \$10,000 for all Federal agencies. In the 91st Congress identical legislation passed the House but died in the Senate.

Recommendation: In principle, the increase in statutory ceiling should apply to all Federal agencies. A strong case for this principle has been made in State's submission to the Congress (see attachment). The amendment as reported out of the Senate Foreign Relations Committee applies the increase only to those foreign affairs agencies under that Committee's jurisdiction, leaving all other Federal agencies in the status quo. It is recommended that the statutory ceiling be increased across-the-board consistent with the Administration's position reflected in the attachment.



DEPARTMENT OF STATE

Washington, D.C. 20520

The Honorable
Carl Albert
Speaker of the House of
Representatives

Dear Mr. Speaker:

Enclosed is a bill "To amend the Military Personnel and Civilian Employees' Claims Act of 1964, as amended, with respect to the settlement of claims against the United States by civilian officers and employees for damage to, or loss of, personal property incident to their service."

The bill would (1) increase the present authority of civilian agencies for the settlement of claims of their employees for personal property losses incident to their service, from \$6,500 to \$10,000, and (2) permit reconsideration, retroactive to August 31, 1964, of any such claim heretofore settled and paid in the amount of \$6,500 solely because that was the maximum amount authorized under existing law..

The justification for increasing the present \$6,500 ceiling to \$10,000 is to permit expeditious settlement of claims up to \$10,000 in cases of catastrophic type losses of personal possessions to be worth at least \$10,000. The bill would relieve the unusual hardship suffered by employees who incur losses of this amount. It would also reduce the number of cases where relief is sought through private bills.

In 1965, the military departments were given authority, retroactively effective to August 31, 1964, to settle claims of their uniformed and civilian personnel up to \$10,000. This legislation would merely extend the same authority to civilian agencies. A detailed explanation of the proposed legislation is enclosed.

The Department has been informed by the Office of Management and Budget that there is no objection to the presentation of this draft legislation to the Congress for its consideration.

Sincerely yours,

For the Secretary of State

David M. Abshire
Assistant Secretary for
Congressional Relations

Enclosures:
Draft bill and
Explanation

(Identical letter to be sent
to the Vice President)

A · B I L L

To amend the Military Personnel and Civilian Employees' Claims Act of 1964, as amended, with respect to the settlement of claims against the United States by civilian officers and employees for damage to, or loss of, personal property incident to their service.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That
Section 3(b)(1) of the Military Personnel and Civilian Employees' Claims Act of 1964, as amended (78 Stat. 767 as amended by 79 Stat. 789), is amended by striking out "\$6,500" and inserting in place thereof "\$10,000".

SEC. 2. Section 1 of this Act is effective August 31, 1964, for the purpose of reconsideration of settled claims as provided in this section. Notwithstanding section 4 of the Military Personnel and Civilian Employees' Claims Act of 1964, or any other provision of law, a claim heretofore settled in the amount of \$6,500 solely by reason of the maximum limitation established by section 3(b) of the Military Personnel and Civilian Employees' Claims Act of 1964, as amended, may, upon written request of the claimant made within one year from the date of enactment of this Act, be reconsidered and settled under the amendment contained in section 1 of this Act..

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EXPLANATION

Purpose

The purpose of the proposed legislation is to amend the Military Personnel and Civilian Employees' Claims Act of 1964 as amended to (1) increase the present authority for the settlement of claims for personnel of agencies, other than the Department of Defense, the military departments and Coast Guard, for personal property losses incident to their service, from \$6,500 to \$10,000, and (2) permit reconsideration, retroactive to August 31, 1964, of any claim heretofore settled and paid in the amount of \$6,500 solely because that was the maximum amount authorized under existing law.

History

Although the legislative history of payment of employee claims dates back to April 9, 1816, with enactment of the Military Personnel Claims Act, the Department of Defense, the military departments and the Coast Guard were the only agencies with authority to pay personnel claims prior to 1964. The Military Personnel and Civilian Employees' Claims Act of 1964 extended the coverage of claims statutes to civilian officers and employees of all Government agencies, subject to the same \$6,500 limitation previously in existence for the military agencies.

The 1965 amendment to the Military Personnel and Civilian Employees' Claims Act of 1964 (79 Stat. 789) increased the claims settlement authority of the Department of Defense, the military departments and the Coast Guard to \$10,000 but retained the \$6,500 limitation for the civilian agencies. The increase in authority for the military departments and not the civilian agencies was due to the short history of the exercise of the claims authority by the civilian agencies and it was felt that any question of increase of existing authority should be deferred until the various agencies had developed procedures and had a longer period of experience in administration of this claims settling authority (H. Rept. 382, S. Rept. 655, 89th Congress, 1st Session).

In the 91st Congress, the House of Representatives passed H.R. 13696 which increased the limitation applicable to the civilian agencies to \$10,000 (without the retroactive section). This action was based on the fact that the civilian agencies had developed procedures and gained experience in administering the claims settlement authority. The Senate failed to act on the House passed bill prior to adjournment of the 91st Congress.

Justification

The justification submitted in support of the 1965 amendment is equally applicable to Government agencies other than the military departments and the Coast Guard. The monetary limitation of \$6,500 is unrealistic and unduly restrictive in terms of the present cost of household goods and personal effects reasonably in an employee's possession. It imposes a great hardship on certain claimants who are victims of catastrophe losses, and leads to an increase of private relief legislation.

The civilian agencies have now had claims settlement authority for seven years. The Department of State administers the program jointly with the Agency for International Development (AID) and the United States Information Agency (USIA). The joint regulations promulgated by State, AID and USIA are in accordance with the statements made in House Report No. 460 of the 88th Congress that the experience of the military departments would serve to establish guidelines and standards. The provisions of these regulations are similar to those of the military departments; the uniform depreciation allowance list developed by the military departments as a guide to adjudicating claims is used by the Department; and the policy set by the military departments as to maximum amounts allowable on categories of items such as photographic equipment, paintings, silverware and major appliances has also been adopted by the Department.

Although most claims are settled for less than \$1,000, often for only a few hundred dollars, a small percentage of claimants have not received full reimbursement for their losses since they exceeded the \$6,500 limitation. Thirty claims have been determined to be payable in excess of \$6,500 but for the statutory monetary limitation.

Personnel of civilian agencies with claims prior to 1964 could obtain recovery by requesting the Congress to enact private relief legislation. The same has been true for claims after 1964 for amounts in excess of \$6,500. The authority granted by Congress through enactment of the Military Personnel and Civilian Employees' Claims Act of 1964 relieved the Congress of much of the burden associated with processing private relief legislation. The proposed limitation of \$10,000 with the retroactive provision, would provide further relief from processing private relief bills. It would also permit more expeditious settlement in those cases where a total loss occurs and the employee is faced with circumstances of extreme hardship. The increase in the ceiling to \$10,000 was made retroactively effective to August 31, 1964 for the military agencies by the 1965 amendment. The proposed

legislation would permit application of the \$10,000 ceiling retroactively to this same date for the civilian agencies. The retroactive feature of the predecessor bill, H.R. 13696, was struck out by the House because "it would relate to a relatively small number of cases" (H. Rept. 91-534). Additional cases have now arisen. The Department believes as a matter of equity to the individuals involved that they should be reimbursed for losses of personal property up to \$10,000 in the same manner as if they had been employed in a military department. Accordingly, the Department is again recommending that the Congress give favorable consideration to this retroactive provision.

Losses in excess of \$6,500 have resulted primarily from catastrophes involving total loss or damage to employees' personal effects. Most have resulted from hostile activities or abandonment resulting from emergency evacuations. A few of these total losses occurred as a result of vessel wreckage or other severe transportation hazard. Most claims stem from losses incurred in overseas areas or in conjunction with the movement or storage of personal effects authorized at Government expense for service-directed assignments to, from or between overseas posts of duty.

The purpose of the Military Personnel and Civilian Employees' Claims Act of 1964 was to extend to other agencies of the Government the authority possessed by the military departments to settle employee claims for loss or damage of personal property when the loss or damage is incident to their Government service. The need for such legislation was clearly justified and recognized. The proposed legislation seeks to restore uniformity of claims settlement authority among Government agencies.

Cost and Budget Data

Our experience has been similar to that of the military services in that only a small percentage of claims have exceeded the \$6,500 limitation. Of the thirty claims settled or pending since 1964 for the Department of State, Agency for International Development and United States Information Agency payable in excess of \$6,500 but for the existing limitation, the proposed legislation would involve a maximum expenditure of \$50,000 if enacted; a cost which the Government would also incur if Congress were to consider favorably a request to enact private relief legislation for these same claimants.

The additional cost to the Government for the next five years cannot be accurately determined because of the unpredictability of incidents that cause substantial losses. Based on past experience, the cost is estimated to be \$35,000.

17 "Sec. 615. LIMITATIONS ON AVAILABILITY OF FUNDS

18 FOR MILITARY OPERATIONS.—(a) No funds authorized or-
19 appropriated under any provisions of law shall be made
20 available by any means by any officer, employee, or agency
21 of the United States Government for the purpose of financing
22 any military operations by foreign forces in Laos, North
23 Vietnam, or Thailand outside the borders of the country of the
24 government or person receiving such funds unless Congress
25 has specifically authorized or specifically authorizes the mak-
11 ing of funds available for such purpose and designates the
2 area where military operations financed by such funds may
3 be undertaken outside such borders.

4 "(b) Upon requesting Congress to make any such au-
5 thorization, the President shall provide to Congress a copy of
6 any agreement proposed to be entered into with any such gov-
7 ernment or person and the complete details of the proposed
8 military operation. Upon such authorization by Congress, the
9 President shall provide a copy of any such agreement and
10 thereafter of all plans and details of such operation."